

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4462-01  
BILL NO.: HB 1998  
SUBJECT: Retirement Benefits  
TYPE: Original  
DATE: March 7, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Joint Committee on Public Employee Retirement** have reviewed this proposal and have determined that it does not represent a “substantial proposed change” in future plan benefits as defined in section 105.660(5), RSMo. Therefore, an actuarial cost statement is not required.

Officials of the **County Employees’ Retirement Fund (CERF)** and the **Office of Administration** assume the proposal would have no fiscal impact.

Officials of the **Department of Social Services-Division of Child Support Enforcement (DCSE)** assume the proposal prohibits garnishments and other attachments of any nature against benefits under the County Employees’ Retirement Fund. They assume this includes administrative income withholding orders issued by DCSE under section 454.505 RSMo (they note the proposal would allow voluntary or court-ordered withholdings under section 454.350 RSMo). Section 42 USC 666 (a)(1)(A) requires that states have laws which allow for income withholding and specifically requires that such income include payments pursuant to a pension or retirement program per 42 USC 666 (d)(8). Consequently, the proposal would violate federal mandates that require states to have the ability to issue income withholding orders against retirement benefits. DCSE assumes that this violation would result in the loss of all federal funds in the child support enforcement program, and that DCSE costs would be paid from state general revenue funds. They have estimated the total revenue lost to be \$74,369,771 annually based on current federal funding of child support enforcement in Missouri.

**Oversight** assumes that if it is determined that the proposal violates federal mandates, the possibility of sanctions by the federal government could exist. However, the likelihood of such sanctions would be speculative. Therefore, for fiscal note purposes, no impact to federal funds is reflected.

	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			
	\$0	\$0	\$0
	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			
	\$0	\$0	\$0

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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would prohibit garnishments and other attachments against County Employees' Retirement Fund benefits. It specifically excludes withholdings pursuant to section 452.350, RSMo.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement  
Office of Administration  
County Employees' Retirement Fund  
Department of Social Services - Division of Child Support Enforcement



Jeanne Jarrett, CPA  
Director  
March 7, 2000